

## Message Text

CONFIDENTIAL

PAGE 01 JAKART 06622 210623Z

ACTION EA-09

INFO OCT-01 AF-10 ARA-06 EUR-12 NEA-10 ISO-00 CIAE-00

DODE-00 NSAE-00 NSCE-00 SSO-00 USIE-00 INRE-00

FEA-01 ERDA-05 AID-05 CEA-01 COME-00 EPG-02 EB-07

FPC-01 H-01 INR-07 INT-05 L-03 NSC-05 OMB-01

PM-04 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07

/131 W

-----210627Z 120043 /20

O P 210545Z MAY 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 1233

INFO AMEMBASSY ABU DHABI PRIORITY

AMEMBASSY ALGIERS PRIORITY

AMEMBASSY CARACAS PRIORITY

AMEMBASSY DOHA PRIORITY

AMEMBASSY DHAHRAN

AMEMBASSY JIDDA PRIORITY

AMEMBASSY KUWAIT PRIORITY

AMEMBASSY LAGOS PRIORITY

AMEMBASSY LIBREVILLE PRIORITY

AMEMBASSY QUITO PRIORITY

AMEMBASSY TEHRAN PRIORITY

AMEMBASSY TRIPOLI PRIORITY

AMEMBASSY VIENNA PRIORITY

USINT BAGHDAD PRIORITY

USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMEMBASSY PARIS

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL MEDAN

AMCONSUL SURABAYA

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PAGE 02 JAKART 06622 210623Z

C O N F I D E N T I A L JAKARTA 6622

E.O. 11652: GDS

TAGS: ENRG, ID, OPEC

SUBJECT: INDONESIAN ANNOUNCEMENT ON OIL PRICE FREEZE

REF: JAKARTA 6619

FOLLOWING IS COMPLETE TEXT OF GOI ANNOUNCEMENT ON DECISION  
TO POSTPONE JULY PRICE INCREASE WHICH WAS SENT TO OPEC SECRETARY  
GENERAL ON MAY 20:

QUOTE

ATTENTION HE SECRETARY JENDERAL  
FOLLOWING IS A TRANSLATION OF THE INDONESIAN GOVERNMENT'S  
ANNOUNCEMENT:

ANNOUNCEMENT

1. THE GOVERNMENT OF INDONESIA HAS DECIDED TO POSTPONE THE 5 PERCENT  
PRICE INCREASE OF INDONESIA'S CRUDE OIL, SCHEDULED ON JULY  
1, 1977, WHICH MEANS THAT THE CURRENT PRICE REMAIN UNCHANGED  
THROUGH THE END OF 1977.
2. THE OPEC MEETING IN DOHA (QATAR) AT THE END OF 1976 RESULTED IN  
THE ESTABLISHMENT OF A TWO-TIER PRICE SYSTEM: 11 MEMBER-COUNTRIES  
INCLUDING INDONESIA DECIDED TO RAISE THE PRICE OF THEIR RESPECTIVE  
CRUDES WITH 10 PERCENT EFFECTIVE JANUARY 1, 1977, FOLLOWED BY ANOTHER  
INCREASE OF 5 PERCENT ON JULY 1, 1977.
2. OTHER MEMBER-COUNTRIES DECIDED ON A PRICE INCREASE FOR THEIR  
RESPECTIVE CRUDES OF 5 PERCENT EFFECTIVE JANUARY 1, 1977.
3. THE GOVERNMENT OF INDONESIA HAS ALREADY HELD SEVERAL CONSULTA-  
TIONS WITH A NUMBER OF MEMBER-COUNTRIES TO JOINTLY OVERCOME THIS  
PRICING PROBLEM.

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PAGE 03 JAKART 06622 210623Z

THIS DECISION OF THE INDONESIAN GOVERNMENT TO POSPONE THE INCREASE  
INTENDED FOR JULY 1, 1977, WAS MADE IN THE FRAMEWORK OF  
PRESERVING AND STRENGTHENING UNITY AND SOLIDARITY AMONG MEMBER-  
COUNTRIES OF THE OPEC, PARTICULARLY IN VIEW OF OPEC'S ROLE  
IN ENHANCING THE UNITY AND SOLIDARITY AMONG THE DEVELOPING NATIONS  
AS A WHOLE WITHIN THE CONTEXT OF COMMON ENDEAVOR TO CREATE A  
NEW INTERNATIONAL ECONOMIC ORDER.

4. THE GOVERNMENT OF INDONESIA SHOULD BE GRATEFUL THAT INSPITE OF  
THIS TWO-TIER PRICE SYSTEM, THE EXPORT OF INDONESIAN CRUDE HAS  
NOT BEEN AFFECTED. INSTEAD, INDONESIA'S CURRENT LEVEL OF CRUDE  
PRODUCTION 1.7 MILLION BARRELS A DAY, THE HIGHEST FIGURE SO FAR.  
HOWEVER, THE GOVERNMENT OF INDONESIA IS OF THE OPINION THAT IT IS  
EXTREMELY IMPORTANT TO ACT JOINTLY AND WITH OTHER MEMBER-COUNTRIES  
IN AN ATTEMPT TO RE-UNITE THE STEPS ON CRUDE OIL PRICING AMONG  
ALL MEMBER-COUNTRIES.

JAKARTA, MAY 20, 1977  
MINISTER OF MINES

UNQUOTE.  
NEWSOM

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Reference:** 77 JAKARTA 6619  
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**Review Media Identifier:**  
**Review Release Date:** n/a  
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**Status:** NATIVE  
**Subject:** INDONESIAN ANNOUNCEMENT ON OIL PRICE FREEZE  
**TAGS:** ENRG, ID, OPEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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